



# ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson  
Director

## AGENDA

### NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION OF THE ARIZONA STATE RETIREMENT SYSTEM BOARD

3300 North Central Avenue, 10<sup>th</sup> Floor Board Room  
Phoenix, AZ 85012

December 5, 2014  
8:30 a.m.

Pursuant to A.R.S. § 38-431.02 (F), notice is hereby given to the Trustees of the Arizona State Retirement System (ASRS) Board and to the general public that the ASRS Board will hold a meeting open to the public on Friday, December 5, 2014, beginning at 8:30 a.m., in the 10<sup>th</sup> Floor Board Room of the ASRS offices at 3300 N. Central Avenue, Phoenix, Arizona 85012. Trustees of the Board may attend either in person or by telephone conference call.

The Chair may take public comment during any agenda item. If any member of the public wishes to speak to a particular agenda item, they should complete a "Request To Speak" form indicating the item and provide it to the Board Administrator.

This meeting will be teleconferenced to the ASRS Tucson office at 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.

The Agenda for the meeting is as follows:

1. Call to Order; Roll Call; Opening Remarks .....Mr. Kevin McCarthy  
Board Chair
2. Presentation Regarding PRIDE Award for Diversity (*estimated time 5 minutes*).....  
..... Mr. Paul Matson  
Director  
..... Mr. Anthony Guarino  
Deputy Director and Chief Operations Officer
3. Approval of the Minutes of the October 24, 2014 Public Meeting and Executive Sessions of the  
ASRS Board (*estimated time 1 minute*).....Mr. Kevin McCarthy
4. Presentation, Discussion and Appropriate Action with Regard to 2015 ASRS Legislative  
Initiatives and Legislative Committee Assignments (*estimated time 5 minutes*).....  
..... Mr. Patrick Klein  
Assistant Director External Affairs  
..... Mr. Nicholas Ponder  
Government Relations Officer

5. Presentation, Discussion and Appropriate Action Regarding the ASRS Membership (A FY 2015 Strategic Topic) (*estimated time 20 minutes*) ..... Mr. Anthony Guarino  
..... Mr. Patrick Klein  
..... Ms. Sara Orozco  
Manager Strategic Planning
6. Presentation, Discussion, and Appropriate Action Regarding the Arizona State Retirement System's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2014 (*estimated time 20 minutes*) ..... Mr. Thomas R. Rey, Jr., CPA  
Partner, CliftonLarsonAllen
7. Presentation, Discussion, and Appropriate Action Regarding ASRS Valuations, including Potential Implementation of Actuarial Audit Recommendations (*estimated time 60 minutes*) ...  
..... Mr. Paul Matson  
..... Mr. Charlie Chittenden  
Actuary, Buck Consultants  
..... Mr. David Kershner  
Actuary, Buck Consultants  
..... Mr. David Driscoll  
Actuary, Buck Consultants
  - a. The ASRS System Valuation and Actuary's Recommendation Regarding 13th Checks for Retired System Members
  - b. The ASRS Pension Plan and Health Insurance Valuation
  - c. The ASRS Long Term Disability (LTD) Valuation
  - d. The ASRS Alternate Contribution Rate
8. Presentation, Discussion, and Appropriate Action Regarding ASRS Investment Program Updates (*estimated time 20 minutes*) ..... Mr. Paul Matson  
..... Mr. Gary Dokes  
Chief Investment Officer  
..... Mr. Dave Underwood  
Assistant Chief Investment Officer
  - a. ASRS Fund Positioning
  - b. IMD Investment House Views
  - c. Asset Class Committee (ACC) Activities
  - d. Tactical Portfolio Positioning
  - e. Strategic Asset Allocation Policy (SAAP) Implementation
  - f. IMD Projects, Research, and Initiatives
9. Presentation, Discussion and Appropriate Action Regarding Independent Reporting, Monitoring, and Oversight of the ASRS Investment Program (*estimated time 20 minutes*) .....  
..... Mr. Allan Martin  
Partner, NEPC

10. Presentation and Discussion Regarding the Board Self-Evaluation Material Distribution  
(*estimated time 5 minutes*).....Mr. Kevin McCarthy

11. Presentation, Discussion, and Appropriate Action Regarding the Director's Report as well as  
Current Events (*estimated time 5 minutes*) ..... Mr. Paul Matson  
Director  
..... Mr. Anthony Guarino  
Deputy Director and Chief Operations Officer

- A. 2014 Compliance Report
- B. 2014 Investments Report
- C. 2014 Operations Report
- D. 2014 Budget and Staffing Reports
- E. 2014 Cash Flow Statement
- F. 2014 Appeals Report
- G. 2014 Employers Reporting

12. Presentation and Discussion with Regard to Informational Updates from Prior and Upcoming  
Committee Meetings (*estimated time 15 minutes*)

a. Operations and Audit Committee (OAC) .....Mr. Jeff Tyne, Chair  
..... Mr. Anthony Guarino

*The next OAC Meeting will be held on December 9, 2014*

b. External Affairs Committee (EAC) ..... Mr. Brian McNeil, Chair  
..... Mr. Patrick Klein

*The next EAC Meeting will be held further into the Legislative Session,*

c. Investment Committee (IC) ..... Mr. Tom Connelly, Chair  
..... Mr. Gary Dokes

*The next IC Meeting will be held on December 1, 2014*

13. Board Requests for Agenda Items (*estimated time 1 minute*) .....Mr. Kevin McCarthy

14. Call to the Public .....Mr. Kevin McCarthy

Those wishing to address the ASRS Board are required to complete a Request to Speak form before the meeting indicating their desire to speak. Request to Speak forms are available at the sign-in desk and should be given to the Board Administrator. Trustees of the Board are prohibited by A.R.S. § 38-431.01(G) from discussing or taking legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. As a result of public comment, the Board may direct staff to study and/or reschedule the matter for discussion and decision at a later date.

15. The next public ASRS Board meeting is scheduled for Friday, January 30, 2015, at 8:30 a.m., at 3300 N. Central Avenue, in the 10th Floor Board room, Phoenix, Arizona.

***The balance of the meeting and possible executive session will take place in the 14<sup>th</sup> floor conference room.***

*Regarding the following agenda item, pursuant to A.R.S. § 38-431.03(A)(3), notice is hereby given to Trustees of the ASRS Board and the general public that the ASRS Board may vote to go into executive session for the purpose of discussion or consultation for legal advice with the attorney of the public body, which will not be open to the public.*

16. Presentation and Discussion Regarding Trustee Fiduciary Education *(estimated time 30 minutes)*..... Ms. Jothi Beljan

- ## 17. Adjournment of the ASRS Board.

A copy of the agenda background material provided to Board Trustees (with the exception of material relating to possible executive sessions) is available for public inspection at the ASRS offices located at 3300 North Central Avenue, 14th Floor, Phoenix, Arizona and 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona. The agenda is subject to revision up to 24 hours prior to meeting. These materials are also available on the ASRS website (<https://www.azasrs.gov/web/BoardCommittees.do>) approximately 48 hours prior to the meeting.

Persons(s) with disabilities may request a reasonable accommodation such as a sign language interpreter or alternate formats of this document by contacting Tracy Darmer, ADA Coordinator at (602) 240-5378 in Phoenix, at (520) 239-3100, ext. 5378 in Tucson, or 1-800-621-3778, ext. 5378 outside metro Phoenix or Tucson. Requests should be made as early as possible to allow time to arrange the accommodations.

Dated November 26, 2014

## ARIZONA STATE RETIREMENT SYSTEM

Melanie Alexander  
Board Administrator

Paul Matson  
Director

Date